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Specially Appearing Defendant DAIMLER AG

10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

13 SHELLEY P. ROBINSON, et al.,

14 Plaintiffs,

15 v.

16 DAIMLERCHRYSLER AG, et al.,

17 Defendants.

No. 3:07cv03258-SC

**DECLARATION OF PAUL HECHT IN
SUPPORT OF SPECIALLY
APPEARING DEFENDANT DAIMLER
AG'S MOTION TO DISMISS FOR
LACK OF PERSONAL JURISDICTION**

Date: November 30, 2007
Time: 10:00 a.m.
Courtroom: 1
Judge: Hon. Samuel Conti

Complaint Filed: 6/20/07
Trial Date: N/A

1 I, Paul Hecht, declare as follows:

2 1. I am Assistant General Counsel for Daimler AG. I have personal
3 knowledge of the facts stated below and those facts are true and correct. If called as a
4 witness to do so I could and would testify competently thereto.

5 2. Daimler AG (formerly known as "DaimlerChrysler AG, hereafter
6 "Daimler AG") is an *Aktiengesellschaft*, or German stock company, with its "seat" or
7 effective place of business in Stuttgart, Germany. Effective place of business is the
8 German corporate law equivalent of the American principal place of business. Thus,
9 Daimler AG is governed by German law. Daimler AG designs and manufactures
10 Mercedes-Benz vehicles in Germany.

11 3. DaimlerChrysler Corporation, a separate and distinct Delaware
12 corporation with its principal place of business in Michigan, designs and manufactures
13 Chrysler, Dodge and Jeep vehicles. Following a 1998 Business Combination Agreement
14 between the former Daimler-Benz AG and Chrysler Corporation, Chrysler Corporation
15 became an indirect subsidiary of Daimler AG and changed its name to DaimlerChrysler
16 Corporation. It nonetheless always maintained its separate identity as a Delaware
17 corporation with a principal place of business in Michigan. Daimler AG and
18 DaimlerChrysler Corporation have each at all times since the 1998 Business Combination
19 Agreement always strictly observed all corporate formalities necessary for the separate
20 legal existence of each. DaimlerChrysler Corporation is now known as Chrysler LLC,
21 and is no longer a subsidiary of Daimler AG.¹

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24 ¹ Effective March 31, 2007, DaimlerChrysler Corporation was converted into a Delaware limited liability
25 company named DaimlerChrysler Company LLC. On July 30, 2007, DaimlerChrysler Company LLC
26 changed its name to Chrysler LLC. For purposes of simplicity, references to that company herein will use
27 the name DaimlerChrysler Corporation, the company's name as it appears in the pleadings. An affiliate of
28 Cerberus Capital Management LP, a private investment firm based in New York, recently purchased an
80.1% ownership interest in Chrysler Holding LLC, the parent of Chrysler LLC. The remaining 19.9%
ownership interest is indirectly held by Daimler AG. At a shareholders meeting in Germany on 4 October
2007, DaimlerChrysler AG changed its name to Daimler AG; however, all statements in this declaration
referring to Daimler AG are equally applicable to DaimlerChrysler AG.

1 4. Daimler AG did not design, manufacture, assemble, or distribute the
2 subject 1998 Jeep Cherokee vehicle at issue in this California lawsuit. DaimlerChrysler
3 Corporation designed, manufactured, distributed, and marketed the subject 1998 Jeep
4 Cherokee vehicle.

5 5. Daimler AG does no business in the State of California and does not
6 maintain any office, agency or representative there. Daimler AG is not now, nor has it
7 ever been, qualified, licensed, or authorized to do business in California. Daimler AG
8 does not have and never has had any officers, employees, or agents stationed to work for it
9 in California. No one is authorized by Daimler AG to accept service of process in
10 California, nor has Daimler AG ever appointed an agent for service of process in
11 California.

12 6. Daimler AG does not conduct advertising or solicitation activities in
13 California, nor does it conduct any sales, service, or other business activities in California,
14 including entering into any contracts to insure a person, property or other risk. Daimler
15 AG does not have and never has had California bank accounts. It does not now own, nor
16 has it ever owned, used or possessed California real estate. It has never paid California
17 taxes.

18 7. Daimler AG has never sold Mercedes-Benz or any other automobiles in
19 California. At all times relevant to this action, Mercedes-Benz USA, LLC, a totally
20 separate Delaware limited liability company with its principal place of business in New
21 Jersey, held and still holds the right to import, distribute, and advertise Mercedes-Benz
22 vehicles and component parts within the United States, including California.

23 8. After Daimler AG sells Mercedes-Benz vehicles to MBUSA, which
24 occurs in Germany with title passing in Germany, MBUSA (not Daimler AG) is
25 responsible for their distribution, as well as service and sales support, throughout the
26 United States, including California. Once title to the vehicles passes to MBUSA, Daimler
27 AG has no control over their ultimate destination within the United States.

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1 9. Daimler AG does not exercise any day-to-day control over MBUSA,
2 including control with respect to sales of Mercedes-Benz vehicles and component parts in
3 the United States, nor does Daimler AG exercise any control over any California
4 Mercedes-Benz retail dealer. MBUSA and Daimler AG are independent companies and
5 each strictly observes all corporate formalities necessary for its own separate legal
6 existence.

7 10. It is not a part of Daimler AG's business model to directly sell Mercedes-
8 Benz vehicles in California and it would not do so even if MBUSA were unavailable.
9 Daimler AG is a manufacturer of motor vehicles and related component parts. Daimler
10 AG has never been in the business of distributing motor vehicles in California and thus
11 does not have the channels, personnel, expertise, relationships, facilities or mechanisms to
12 distribute vehicles in California. In addition, Daimler AG has consistently undertaken to
13 avoid conducting business directly in any countries outside Germany in order to avoid the
14 potentially significant tax exposure that could result from such conduct.

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2 11. Moreover, it is unnecessary for Daimler AG to use a subsidiary for
3 Mercedes-Benz vehicles to be available to California residents. For many years before
4 MBUSA came into existence in 1964, Daimler AG and/or its predecessors contracted with
5 unaffiliated entities that served as distributors for Mercedes-Benz vehicles in California.
6 Even very recently, the demand for Mercedes-Benz vehicles has been such that
7 unaffiliated entrepreneurs have "filled in" gaps in the distribution chain not covered by
8 MBUSA. For example, a New Mexico company, Europa International, Inc., and not
9 MBUSA, imported and sold Mercedes-Benz G-Class vehicles in the U.S. before 2001.
10 And in many parts of the world, such as Chile, Ireland, Norway, Finland and Peru,
11 distributors for Mercedes-Benz vehicles still are companies not affiliated with Daimler
12 AG. Like MBUSA, each of these companies has a Distributor Agreement that is
13 negotiated at arms'-length.

14 I declare under penalty of perjury under the laws of the State of California that
15 the foregoing is true and correct.

16 Dated: 8th Oct, 2007

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19 PAUL HECHT